

AN ACT
D.C. ACT 24-798

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JANUARY 30, 2023

To amend the Attorney General for the District of Columbia Clarification and Elected Term Amendment Act of 2010 to deposit \$100,000 in revenue from fines issued to unlicensed establishments and \$100,000 in revenue from fines issued to commercial property owners allowing unlicensed establishments to operate; to amend the Legalization of Marijuana for Medical Treatment Initiative of 1999 to allow qualifying patients to self-certify, to establish a process for unlicensed establishments to obtain a medical cannabis business license, to create new license categories and endorsements, and to promote social equity in the medical cannabis market in the District; to amend the Department of Health Functions Clarification Act of 2001 to provide for the Department of Health to gather information relating to the use of cannabis; to amend Title 25 of the District of Columbia Official Code to make conforming definitional changes; to amend The Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia to make conforming definitional changes; and to amend Title 47 of the District of Columbia Official Code to make conforming definitional changes and amendments to the law regulating the medical cannabis sales tax and to create a civil enforcement mechanism for businesses distributing or selling cannabis without a license; and to create a civil enforcement mechanism for commercial property owners who allow the unlicensed distribution or sale of cannabis on their premises.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Medical Cannabis Amendment Act of 2022”.

Sec. 2. Section 106b(b) of the Attorney General for the District of Columbia Clarification and Elected Term Amendment Act of 2010, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 1-301.86b(b)), is amended as follows:

(a) Paragraph (2) is amended by striking the phrase “; and” and inserting a semicolon in its place.

(b) Paragraph (3) is amended by striking the period and inserting the phrase “; and” in its place.

(c) New paragraphs (4) and (5) are added to read as follows:

“(4) The first \$100,000 in fines imposed and collected pursuant to section 8 of the Medical Cannabis Amendment Act of 2022, passed on 2nd reading on December 20, 2022 (Enrolled version of Bill 24-113); and

“(5) The first \$100,000 in fines imposed and collected pursuant to D.C. Official Code § 47-2844(a-2)(1B).”.

Sec. 3. The Legalization of Marijuana for Medical Treatment Initiative of 1999, effective February 25, 2010 (D.C. Law 13-315; D.C. Official Code § 7-1671.01 *et seq.*), is amended as follows:

(a) Section 2 (D.C. Official Code § 7-1671.01) is amended as follows:

(1) Paragraph (1) is amended to read as follows:

“(1) “ABC Board” means the Alcoholic Beverage and Cannabis Board established by D.C. Official Code § 25-201.”.

(2) Paragraph (1A) is amended to read as follows:

“(1A) “ABCA” means the Alcoholic Beverage and Cannabis Administration established by D.C. Official Code § 25-202.”.

(3) Paragraph (1C) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(4) A new paragraph (2A) is added to read as follows:

“(2A) “Cannabis” shall have the same meaning as provided in section 102(3) of the District of Columbia Uniform Controlled Substances Act of 1981, effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.02(3)).”.

(5) Paragraph (3) is amended to read as follows:

“(3) “Caregiver” means a person at least 18 years of age who is designated by a qualifying patient as the person authorized, on the qualifying patient’s behalf, to possess, obtain from a licensed retailer, internet retailer or courier, dispense, administer, and assist in the administration of medical cannabis.”.

(6) A new paragraph (4A) is added to read as follows:

“(4A) “Courier” means a platform or business that:

“(A) Is licensed to conduct business in the District;

“(B) Has a contractual relationship with a holder of a medical cannabis retailer license or internet retailer license to provide delivery services or facilitate the sale of medical cannabis or medical cannabis products for deliveries in the District to qualifying patients or caregivers through the use of the internet, a mobile application, or a similar technology platform; and

“(C) Uses its own employees or independent contractors.”.

(7) Paragraph (5) is amended as follows:

(A) Strike the phrase “ABRA” and insert the phrase “ABCA” in its place.

(B) Strike the phrase “medical marijuana” both times it appears and insert the phrase “medical cannabis” in its place.

(8) Paragraph (7) is repealed.

(9) Paragraph (8) is amended by striking the phrase “medical marijuana” and inserting the phrase “medical cannabis” in its place.

(10) New paragraphs (9A), (9B), and (9C) are added to read as follows:

“(9A) “DSLBD” means the Department of Small and Local Business Development.

“(9B) “Economically disadvantaged individual” shall have the same meaning as provided in section 2302(7) of the Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.02(7)).

“(9C) “Internet retailer” means a platform or business that is licensed to conduct business in the District, provides delivery services, and facilitates the sale of medical cannabis or medical cannabis products for deliveries to qualifying patients or caregivers through the use of the internet, a mobile application, or similar technology platform, and that does not have a physical location that is open to the public.”.

(11) Paragraph (10) is amended by striking the phrase “of marijuana” and inserting the phrase “of cannabis” in its place.

(12) Paragraph (11) is repealed.

(13) A new paragraph (11A) is added to read as follows:

“(11A) “Manufacturer” means a facility operated by an organization or business licensed with ABCA pursuant to section 6 to:

“(A) Process medical cannabis from cultivation centers into medical cannabis concentrates and medical cannabis-infused products;

“(B) Package and label medical cannabis concentrates and medical cannabis-infused products for dispensing at licensed retailers and internet retailers; and

“(C) Sell medical cannabis concentrates and medical cannabis-infused products at wholesale to licensed retailers and internet retailers.”.

(14) Paragraph (12) is amended by striking the phrase ““Medical marijuana” means marijuana” and inserting the phrase ““Medical cannabis” means cannabis” in its place.

(15) Paragraph (12A) is redesignated as paragraph (12B).

(16) A new paragraph (12A) is added to read as follows:

“(12A) “Medical cannabis certified business enterprise” means a business enterprise that operates a cultivation center, retailer, internet retailer, courier, manufacturer, or testing laboratory that:

(A) Is certified by DSLBD as an equity impact enterprise, as that term is defined in section 2302(8A) of the Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.02(8A)) (“CBE Act”), and rules issued pursuant to the CBE Act;

“(B) Demonstrates to the satisfaction of DSLBD that more than 50% of the employees of the business enterprise are residents of the District; and

“(C) Submits a form to ABCA attesting under the penalty of perjury that the annual personal net income of each owner of the enterprise applying for a cultivation center, retailer, internet retailer, cultivator, courier, manufacturer, or testing laboratory license does not exceed \$349,999.”.

(17) The newly redesignated paragraph (12B) is amended to read as follows:

“(12B) “Medical cannabis product” means a product derived from or composed of medical cannabis, in part or in whole.”.

(18) A new paragraph (13B) is added to read as follows:

“(13B) “Non-resident cardholder” means a non-District resident who:

“(A) Is not enrolled in another jurisdiction’s medical cannabis program;

and

“(B) Has submitted documentation required by ABCA for a temporary 30-day registration identification card and received confirmation from ABCA of their registration.”.

(19) Paragraph (14) is amended as follows:

(A) Subparagraph (A) is amended by striking the phrase “medical marijuana into” and inserting the phrase “medical cannabis into” in its place.

(B) Subparagraph (B) is amended by striking the phrase “medical marijuana.” and inserting the phrase “medical cannabis.” in its place.

(20) A new paragraph (14A) is added to read as follows:

“(14A) “Pesticide” includes:

“(A) Any substance or mixture of substances intended to prevent, destroy, control, repel, or mitigate any insect, rodent, snail, slug, fungus, weed, or any other form of plant or animal life or virus, except a virus on or in a living person or other animal, that is normally considered to be a pest;

“(B) Any substance or mixture of substances intended to be used as a plant regulator, defoliant, or desiccant; and

“(C) Any spray adjuvant.”.

(21) Paragraph (16) is amended by striking the phrase “medical marijuana program” and inserting the phrase “medical cannabis program” in its place.

(22) Paragraph (17) is amended to read as follows:

“(17) “Qualifying medical or dental condition” means any condition for which treatment with medical cannabis would be beneficial, as determined by an authorized practitioner.”.

(23) Paragraph (18)(D) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(24) Paragraph (19) is amended as follows:

(A) Strike the phrase “ABRA” and insert the phrase “ABCA” in its place.

(B) Strike the phrase “medical marijuana” both times it appears and insert the phrase “medical cannabis” in its place.

(25) Paragraph (19A) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(26) New paragraphs (20A), (20B), (20C), and (20D) are added to read as follows:

“(20A) “Retailer” means a facility operated by an organization or business licensed with ABCA pursuant to section 6 from or at which medical cannabis is possessed and dispensed, and paraphernalia is possessed and distributed to a qualifying patient or a caregiver.

“(20B) “Returning citizen” means a District resident who was arrested, convicted, or incarcerated for a cannabis or drug-related offense.

“(20C) “Social equity applicant” means an applicant for licensure with ABCA pursuant to section 7 who satisfies 2 or more of the following criteria:

“(A) The applicant has at least one owner who is a District resident, individually or collectively owns at least 50% of the business, and is a returning citizen;

“(B) The applicant has at least one owner who is a District resident, individually or collectively owns at least 50% of the business, and is married to or in a civil union, has a child, or is the child of a person or has a non-parent legal guardian who is or has been incarcerated in the District or in any other jurisdiction for a cannabis or drug-related offense; or

“(C) The applicant has at least one owner who is a District resident, individually or collectively owns at least 50% of the business and has an income that does not exceed 150% of the median family income as set forth by the United States Department of Housing and Urban Development, adjusted for household size, at the time the applicant submits the application.

“(20D) “Straw ownership” means nominal ownership without the attendant benefits and risks of genuine ownership, where a person, often for a fee, allows themselves to be named on documents or purports in writing to be an owner, in whole or in part, for the purpose of satisfying a government regulatory requirement.”.

(27) Paragraph (21) is amended to read as follows:

“(21) “Testing laboratory” means an entity that is not owned or operated by a director, officer, member, incorporator, agent, or employee of a cultivation center, manufacturer, retailer, internet retailer, courier, or other license category established by rulemaking and is licensed by ABCA to test medical cannabis and medical cannabis products that are to be sold pursuant to this act.”.

(28) A new paragraph (22) is added to read as follows:

“(22) “Unlicensed establishment” means a sole proprietorship, partnership, or other business entity that:

“(A) Sells, exchanges as part of a commercial transaction, or delivers cannabis and cannabis products;

“(B) Operates at or delivers from a specific location in the District; and

“(C) Is not licensed by ABCA as a cultivation center, retailer, internet retailer, manufacturer, courier, or testing laboratory.”.

(b) Section 3 (D.C. Official Code § 7-1671.02) is amended as follows:

(1) The section heading is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(2) Subsection (a) is amended to read as follows:

“(a) Notwithstanding any other District law, a qualifying patient may purchase, possess, use, and administer medical cannabis, and purchase, possess, and use paraphernalia, in accordance with this act and the rules issued pursuant to section 14.”.

(3) Subsection (b) is amended to read as follows:

“(b) Notwithstanding any other District law, a caregiver may obtain, possess, dispense, administer, and assist in the administration of medical cannabis to a qualifying patient, and obtain, possess, and use paraphernalia, for the sole purpose of assisting in the administration of medical cannabis to a qualifying patient in accordance with this act and the rules issued pursuant to section 14.”.

(4) A new subsection (b-1) is added to read as follows:

“(b-1) When registering pursuant to section 6, a caregiver shall not be required to submit a criminal background check to ABCA.”.

(5) Subsection (c) is amended to read as follows:

“(c) A qualifying patient may purchase, possess, and administer medical cannabis, and purchase, possess, and use paraphernalia, only for the treatment of a qualifying medical or dental condition or the side effects of a qualifying medical treatment, and only after having:

“(1)(A) Obtained a signed, written recommendation from an authorized practitioner within the last 2 years in accordance with section 5, except for individuals 21 years of age and older who shall be permitted to self-certify on a form provided by ABCA that they are utilizing cannabis for medical purposes as part of the registration process; and

“(B) Registered with ABCA pursuant to section 6; or

“(2) Enrolled in another jurisdiction’s medical cannabis program.”.

(6) New subsections (c-1) and (c-2) are added to read as follows:

“(c-1)(1) When a qualifying patient’s or caregiver’s registration identification card has expired or will expire at any time between March 1, 2020, and March 31, 2023, and the qualifying patient or caregiver has not submitted an application for a new registration identification card, the qualifying patient or caregiver may continue to obtain, purchase, possess, dispense, use, administer, and assist in the administration of, respectively, medical cannabis in accordance with this act and the rules issued pursuant to section 14 until March 31, 2023.

“(2) On or after April 1, 2023, the qualifying patient or caregiver shall possess a valid registration identification card to continue to obtain, purchase, possess, dispense, use, administer, and assist in the administration of, respectively, medical cannabis.

“(c-2) Notwithstanding the requirements of subsection (c) of this section, the ABC Board may, by rule, establish alternative or additional processes and procedures for qualifying patients to:

(1) Register in the medical cannabis program; or

(2) Obtain temporary or permanent approval to purchase medical cannabis from a retailer or internet retailer within one business day.”.

(7) Subsection (d) is amended to read as follows:

“(d) A qualifying patient or caregiver shall only obtain, purchase, possess, dispense, use, administer, or assist in the administration of medical cannabis, or obtain, purchase, possess, or use paraphernalia obtained from a retailer or internet retailer licensed with ABCA pursuant to section 6.”.

(8) Subsection (e) is amended to read as follows:

“(e)(1) A qualifying patient who is a minor may purchase, possess, use, and administer medical cannabis, and purchase, possess, and use paraphernalia, only after having received a recommendation from an authorized practitioner and registered with ABCA.

“(2) A signed, written statement from the minor qualifying patient’s parent or legal guardian shall be submitted when registering with ABCA, which affirms that the parent or legal guardian:

“(A) Understands the qualifying medical or dental condition or qualifying medical or dental treatment of the minor;

“(B) Understands the potential benefits and adverse effects of the use of medical cannabis, generally, and specifically, in the case of the minor;

“(C) Consents to the use of medical cannabis for the minor’s qualifying medical or dental condition or qualifying medical or dental treatment; and

“(D) Consents to, or designates another adult to, serve as the caregiver for the qualifying patient, and that the caregiver controls the acquisition, possession, dosage, and frequency of use of medical cannabis by the qualifying patient.”.

(c) Section 4 (D.C. Official Code § 7-1671.03) is amended as follows:

(1) The section heading is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(2) Subsection (a) is amended to read as follows:

“(a)(1) The maximum amount of dried medical cannabis that any qualifying patient or caregiver may possess at any moment is 8 ounces.

(2) The Mayor shall promulgate through rulemaking limits on the amount of medical cannabis in forms other than dried medical cannabis that any qualifying patient or caregiver may possess at any one moment.”.

(3) Subsection (b) is amended to read as follows:

“(b) Medical cannabis shall only be administered by or to a qualifying patient at:

“(1) A qualifying patient’s residence, if permitted;

“(2) The residence of an individual who has given permission to the qualifying patient to administer medical cannabis at the individual’s residence, if permitted;

“(3) A medical treatment facility, when the qualifying patient is receiving medical care for a qualifying medical or dental condition or a qualifying medical or dental treatment, if permitted by the medical treatment facility;

“(4) A safe use treatment facility licensed by ABCA pursuant to section 7c; or

“(5) A school in which the qualifying patient is enrolled, if the school has a policy in place for allowing the administration of medication at school; provided, that the medical cannabis shall be in non-smokable form.”.

(4) Subsection (c) is amended by striking the phrase “medical marijuana in” and inserting the phrase “medical cannabis in” in its place.

(5) Subsection (d) is amended as follows:

(A) Paragraph (1) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(B) Paragraph (2) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(6) Subsection (e) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(7) Subsection (f) is amended by striking the phrase “dispensary, cultivation center, or testing laboratory” and inserting the phrase “cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory” in its place.

(8) Subsection (g) is amended to read as follows:

“(g) A qualifying patient, caregiver, or an employee of a cultivation center, manufacturer, retailer, internet retailer, courier, testing laboratory, or other holder of a license in a license category established by this act or by rulemaking pursuant to this act who is stopped by the police upon reasonable suspicion or probable cause that the stopped individual is in possession of cannabis may not be further detained or arrested on this basis alone if the police determine that the individual is in compliance with this act and the rules issued pursuant to section 14.”.

(d) Section 5 (D.C. Official Code § 7-1671.04) is amended to read as follows:

“Sec. 5. Recommending authorized practitioner; protections.

“(a) A qualifying patient may receive a recommendation from an authorized practitioner to use medical cannabis for a qualifying medical or dental condition or a qualifying medical or dental treatment.

“(b) An authorized practitioner may recommend the use of medical cannabis to a qualifying patient, on a form provided by ABCA, if the authorized practitioner makes the recommendation based on an assessment of the qualifying patient’s current medical or dental condition.

“(c) An authorized practitioner shall not be subject to any penalty, including arrest, prosecution, or disciplinary proceeding, or denial of any right or privilege, for advising a

qualifying patient about the use of medical cannabis or recommending the use of medical cannabis to a qualifying patient pursuant to this act and any rules issued pursuant to section 14.

“(d) An authorized practitioner recommending the use of medical cannabis to a qualifying patient shall not have a professional office located at a retailer, internet retailer, cultivation center, manufacturer, or testing laboratory or receive financial compensation from a cultivation center, manufacturer, or testing laboratory, or a director, officer, member, incorporator, agent, or employee of a retailer, internet retailer, cultivation center, courier, manufacturer, or testing laboratory.”.

(e) Section 6 (D.C. Official Code § 7-1671.05) is amended to read as follows:

“Sec. 6. Medical cannabis program.

“(a) There is established a medical cannabis program, which shall regulate the cultivation, manufacture, distribution, dispensing, purchase, delivery, sale, possession, administration, and testing of medical cannabis and the manufacture, distribution, purchase, sale, possession, and use of paraphernalia.

“(b) The Program shall:

“(1) Require the registration with ABCA of all:

“(A) Qualifying patients, except qualifying patients enrolled in another jurisdiction's medical cannabis program pursuant to section 3(c)(2), and the caregivers of qualifying patients; and

“(B) Non-resident cardholders;

“(2) Require the licensing with ABCA of all cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories, including all directors, officers, members, incorporators, agents, and employees of those facilities;

“(3) Create a self-certification form that may be used by qualifying patients ages 21 and older as part of the registration process, which shall contain the following statement:

“I will only use cannabis purchased from a District retailer as a qualifying patient for the treatment of a qualifying medical or dental condition or for the side effects of a qualifying or medical treatment. I understand my rights and obligations as set forth by the Medical Cannabis Program and agree to these requirements. I certify under penalty of perjury that the foregoing is true and correct.

“

“[Signature Here]

“Willfully making a false statement that is in fact material, in writing, directly or indirectly, on this application is a violation of District of Columbia law and subject to criminal penalties of a fine of not more than \$1,000 or imprisonment for not more than 180 days, or both. (D.C. Official Code § 22-2405).”.

“(4)(A) As part of the registration process, permit a non-resident qualifying patient visiting the District of Columbia to apply to ABCA to receive a temporary non-resident registration identification card, which shall be valid for 30 days; and

“(B) After the expiration of a temporary non-resident registration identification card, permit a non-resident qualifying patient to apply to ABCA to be issued another 30-day temporary non-resident identification card.

“(5) Issue nontransferable registration identification cards to persons and entities registered pursuant to paragraph (1) of this subsection; provided, that:

“(A) With respect to registration identification cards issued to persons and entities registered pursuant to paragraph (1)(A) and (C) of this subsection, such cards expire every 2 years:

“(B) The cards may be presented to and used by law enforcement to confirm whether a person or entity is authorized to cultivate, manufacture, distribute, dispense, deliver, sell, possess, test, or administer medical cannabis or medical cannabis products, or manufacture, possess, deliver, purchase, sell, distribute, or use paraphernalia; and

“(C) The ABC Board may, by rule, establish license and registration periods and fees under the section that are valid for one year, 2 years, or 3 years.

“(6) Require all cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories to:

“(A) Maintain true, complete, and real-time electronic records of:

“(i) The name, address, home telephone number, and date of birth of each employee;

“(ii) Each transaction conducted by the facility, including:

“(I) The quantity of medical cannabis tested, processed, distributed, delivered, or dispensed;

“(II) The consideration given for the medical cannabis, if any; and

“(III) The recipient of the medical cannabis;

“(iii) The quantity of medical cannabis or medical cannabis products at the cultivation center, manufacturer, retailer, internet retailer, or testing laboratory;

“(iv) The disposal method used for any medical cannabis that was cultivated, processed, or acquired but did not meet the requirements for sale established by the ABC Board through rulemaking pursuant to section 14 or that was not sold for any other reason, including evidence of the disposal of the medical cannabis; and

“(v) Any other information required by ABCA; and

“(B) Notify ABCA and the Chief of the Metropolitan Police Department in writing and within 24 hours of the loss, theft, or destruction of any medical cannabis;

“(7) Require all retailers and internet retailers to maintain true, complete, and real-time electronic records of the name and address of the qualifying patient or caregiver authorized to obtain medical cannabis;

“(8) Upon the licensing of at least one testing laboratory pursuant to paragraph (2) of this subsection, require that cultivation centers segregate all harvested medical cannabis into batches before manufacturing any medical cannabis products, or packaging dried medical

cannabis for sale to a manufacturer, retailer, or internet retailer, and hold the harvested medical cannabis from sale until:

“(A) The medical cannabis has been tested by a testing laboratory;

“(B) The cultivation center has received the information required pursuant to paragraph (9) of this subsection; and

“(C) The cultivation center has determined that the medical cannabis meets the requirements for sale established by the ABC Board through rulemaking;

“(9) Require testing laboratories to provide cultivation centers with the following information after testing harvested medical cannabis samples:

“(A) The concentration of tetrahydrocannabinol and cannabidiol in the testing material;

“(B) Whether the tested material is organic or inorganic;

“(C) The presence and concentration of fertilizers or other nutrients;

“(D) The presence of mold, mildew, or pests;

“(E) Whether the medical cannabis samples contain mycotoxin, pesticides, or heavy metals above a threshold determined by the ABC Board through rulemaking; and

“(F) Any other information that the ABC Board may require through rulemaking;

“(10) Upon licensing of at least one testing laboratory pursuant to paragraph (2) of this section, require that manufacturers segregate all processed medical cannabis products into batches, and hold the processed medical cannabis products from sale until:

“(A) The medical cannabis products have been tested by a testing laboratory;

“(B) The manufacturer has received the information required pursuant to paragraph (11) of this subsection; and

“(C) The manufacturer has determined that the medical cannabis products meet the requirements for sale established by the ABC Board through rulemaking;

“(11) Require testing laboratories to provide manufacturers with the following information after testing medical cannabis product samples:

“(A) The concentration of tetrahydrocannabinol and cannabidiol in the testing material;

“(B) Whether the tested material is organic or inorganic;

“(C) The presence and concentration of fertilizers or other nutrients;

“(D) Whether the medical cannabis product samples contain mycotoxin or residual solvents above a threshold determined by the ABC Board through rulemaking; and

“(E) Any other information that the ABC Board may require through rulemaking;

“(12) Develop educational materials about:

“(A) The potential adverse drug interactions that could occur from using medical cannabis concurrently with other medical treatments;

“(B) Harm reduction strategies for qualifying patients who use medical cannabis; and

“(C) The importance of informing health care providers and pharmacists of the use of medical cannabis to help avoid adverse drug interactions;

“(13) Revoke or suspend the registration or license of any person or entity if the ABC Board determines that the person or entity has violated a provision of this act or the rules issued pursuant to section 14;

“(14) Conduct announced and unannounced inspections of cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories;

“(15) Establish sliding-scale registration and annual renewal fees for all persons and entities required to register or obtain a license pursuant to this act; provided, that the licensing and annual renewal fees for cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories and for the directors, officers, members, incorporators, agents, and employees of cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories be sufficient to offset the cost of administering this act;

“(16) Establish a system to provide for the safe and affordable dispensing of medical cannabis to qualifying patients who are unable to afford a sufficient supply of medical cannabis based upon the qualifying patient’s income and existing financial resources that:

“(A) Allows qualifying patients to apply to the ABC Board to be eligible to purchase medical cannabis from retailers and internet retailers at prices set on a sliding scale based upon the qualifying patient’s income and existing financial resources; and

“(B) Requires each retailer and internet retailer to provide medical cannabis at prices set on the sliding scale described in subparagraph (A) of this paragraph, as determined by the ABC Board, to qualifying patients determined eligible pursuant to subparagraph (A) of this paragraph;

“(17) Establish standards by which applicants for cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory license are evaluated for licensing or license renewal, which may include:

“(A) An applicant’s knowledge of District and federal law relating to cannabis and rules issued pursuant to section 14;

“(B) A security plan that has been assessed by the Metropolitan Police Department; and

“(C) A cultivation plan;

“(18)(A) Provide electronic notice to the Councilmember and all Advisory Neighborhood Commissions in the affected ward at least 45 calendar days prior to the approval of a location for a cultivation center, manufacturer, retailer, or internet retailer; and

“(B) Accord great weight to input provided by the Advisory Neighborhood Commission regarding the proposed location of a cultivation center, manufacturer, retailer, or internet retailer when approving or rejecting an application for a license;

“(C) Establish procedures by which Advisory Neighborhood Commissions can protest new and renewal applications for a cultivation center, manufacturer, retailer, or internet retailer when approving or rejecting an application for a license; and

“(D) Establish procedures for an Advisory Neighborhood Commission to enter into a settlement agreement for a cultivation center, manufacturer, retailer, or internet retailer.

“(19) Require caregivers and qualifying patients to notify ABCA within 48 hours and in writing of the loss, theft, or destruction of a registration identification card; and

“(20) Submit to the Council an annual report that includes:

“(A) The number of qualifying patients participating in the medical cannabis program;

“(B) The number of qualifying patients and caregivers registered;

“(C) The number of registration identification cards suspended and revoked;

“(D) The number of authorized practitioners providing written recommendations for qualifying patients;

“(E) The number and location of cultivation centers, manufacturers, retailers, internet retailers, and testing laboratories;

“(F) The amount of cannabis harvested by cultivation centers;

“(G) The dollar amount of medical cannabis or medical cannabis products sold by cultivation centers, manufacturers, retailers, and internet retailers; and

“(H) The number and types of violations of this act and any applicable rules, taken against licensed cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories.”.

(f) A new section 6a is added to read as follows:

“Sec. 6a. Courier license.

“(a) A courier license shall be required for a third party to deliver medical cannabis, medical cannabis concentrates, medical cannabis-infused products, or medical cannabis paraphernalia on behalf of a licensed medical cannabis retailer or internet retailer to a qualifying patient or caregiver.

“(b) A medical cannabis retailer or internet retailer licensed under this act may utilize the services of a courier license holder by means of the telephone, Internet, mobile application, or other electronic means to facilitate the transport of medical cannabis, medical cannabis concentrates, medical cannabis-infused products or medical cannabis paraphernalia.

“(c) The holder of a courier license shall be permitted to deliver medical cannabis directly to a qualifying patient or the qualifying patient's caregiver, on behalf of a retailer or internet retailer, at residential and commercial building addresses located in the District that are not on District government or Federal property or on public or private school grounds, with the exception of deliveries to individuals at colleges and universities who are 21 years of age or older.

“(d) A holder of a courier license shall:

“(1) Deliver only to the qualifying patient or the qualifying patient’s caregiver at a District of Columbia address provided by the patient or caregiver and shall not leave the product without verifying the identity and age of the recipient;

“(2) Travel only through the District of Columbia and not any surrounding jurisdiction to make deliveries;

“(3) Abide by rules and standards as may be established by the ABC Board through rulemaking concerning the frequency of deliveries to a single patient or caregiver in a day, week, or month;

“(4) Abide by the rules posted by a landlord or property owner with respect to prohibitions on cannabis deliveries on its property;

“(5) Abide by the rules and standards as may be established by the ABC Board concerning making overnight storage of any product if necessary;

“(6) Use its employees or independent contractor to deliver medical cannabis or medical cannabis products; and

“(7) Not be permitted to offer curbside pick-up at a retailer, internet retailer, or its ABC Board-approved location to qualifying patients and caregivers.

“(e)(1) At the time of the order, a holder of a courier license shall require the qualifying patient or the qualifying patient’s caregiver to provide information necessary to verify that the qualifying patient or the patient’s caregiver is qualified to purchase and receive a delivery of medical cannabis or medical cannabis products in accordance with this act and regulations issued in accordance with section 14.

“(2) Prior to transferring possession of the order to a qualifying patient or to a qualifying patient’s caregiver, the holder of a courier license shall inspect the person’s government-issued identification card and valid ABCA registration issued pursuant to this act to verify the possession of a valid registration and that the information provided at the time the order was placed matches the information listed on the government issued identification card and ABCA registration.

“(3) Failure of the courier license holder to check information in accordance with paragraphs (1) and (2) of this subsection may result in the ABC Board issuing a fine against the courier or suspending or revoking its license in accordance with this act or regulations issued in accordance with section 14.

“(f)(1) A holder of a courier license shall maintain in each vehicle used for deliveries of medical cannabis or medical cannabis products, a secure, locked storage compartment for purposes of transporting and securing cash used as payment and the medical cannabis or medical cannabis products.

“(2) A holder of a courier license shall not store cash and medical cannabis or medical cannabis products in the same storage compartments.

“(g)(1) A holder of a courier license shall abide by rules concerning the operation and number of vehicles allowed, as set forth in regulations issued by the ABC Board pursuant to section 14.

“(2) A courier vehicle shall contain a Global Positioning System (“GPS”) device for identifying the geographic location of the courier vehicle. The GPS device shall be either permanently or temporarily affixed to the courier vehicle while the courier vehicle is in operation, and the GPS device shall remain active and in the possession of the delivery employee at all times during the delivery.

“(3) A courier vehicle shall not bear any markings, images, words, or phrases that would indicate the vehicle is used to deliver medical cannabis, including the name of the courier or cannabis-related related images.

“(h) Applicants for the courier license shall complete an application prescribed by the ABC Board by regulations issued pursuant to section 14.

“(i) The minimum initial application fee for a courier license shall be \$1,000. The license shall be valid for 3 years with a minimum annual license fee of \$2,000.

“(j) Notwithstanding the requirements of this section, the ABC Board may, by rule, modify the delivery requirements that the holder of a courier license is required to follow.

“(k) For purposes of this section, a public or private park shall not be considered either a residential or commercial building address.”.

(g) Section 7 (D.C. Official Code § 7-1671.06) is amended to read as follows:

“Sec. 7. Cultivation centers, manufacturers, retailers, internet retailers, and testing laboratories.

“(a) Notwithstanding any other District law, and in accordance with this act and any rules issued pursuant to section 14:

“(1) A cultivation center may cultivate and possess medical cannabis for the purpose of distribution to a manufacturer, retailer, or internet retailer, and may manufacture, possess, purchase, and use medical cannabis products and paraphernalia;

“(2) A manufacturer may possess medical cannabis for the purposes of manufacturing medical cannabis products and distribution to a retailer or internet retailer, and may manufacture, possess, purchase, and use paraphernalia;

“(3) A retailer may possess medical cannabis and medical cannabis products for the purpose of dispensing to a qualifying patient or caregiver, and may manufacture, possess, distribute, purchase, and use paraphernalia;

“(4) An internet retailer shall not have a physical location that is open to the public and shall be permitted to dispense and distribute medical cannabis, medical cannabis products, and paraphernalia through delivery to any qualifying patient or the qualifying patient’s caregiver in the District of Columbia in accordance with this act and rules issued pursuant to section 14; provided, that the holder of an internet retailer license shall not be permitted to offer curbside pickup at its ABC Board-approved location.

“(5) A testing laboratory may possess medical cannabis for the purpose of testing its contents; and

“(6) A qualifying patient, caregiver, or non-resident cardholder may only obtain medical cannabis and paraphernalia from a licensed retailer or internet retailer.

“(b) Each cultivation center, manufacturer, retailer, internet retailer, courier, and testing laboratory shall be licensed with ABCA prior to cultivating, manufacturing, distributing, dispensing, delivering, selling, possessing, or testing medical cannabis or medical cannabis products, or manufacturing, possessing, purchasing, selling, or distributing paraphernalia.

“(c) A cultivation center, manufacturer, retailer, or internet retailer shall ensure that the packaging is significantly difficult for children under 5 years of age to open and packaging or labeling on medical cannabis or medical cannabis-infused products shall not:

“(1) Contain any content, image, or other labeling that specifically targets individuals under the age of 21, including, cartoon characters or similar images, on the product, packaging, or a container holding medical cannabis;

“(2) Resemble packaging that is appealing to children, including cartoon characters or similar images, on the packaging or a container holding medical cannabis or medical cannabis-infused products; or

“(3) Use the word candy or candies.

“(d)(1) A cultivation center licensed with ABCA as of the effective date of the Medical Cannabis Amendment Act of 2022, passed on 2nd reading on December 20, 2022 (Enrolled version of Bill 24-113), shall automatically receive a manufacturer’s license, provided that the annual fee is paid.

“(2) A cultivation center licensed with ABCA as of the effective date of the Medical Cannabis Amendment Act of 2022, passed on 2nd reading on December 20, 2022 (Enrolled version of Bill 24-113), shall be eligible, upon approval of an application and payment of an annual fee, to receive a retailer or online retailer license.

“(3) A dispensary licensed with ABCA as of the effective date of the Medical Cannabis Amendment Act of 2022, passed on 2nd reading on December 20, 2022 (Enrolled version of Bill 24-113), shall be eligible, upon approval of an application and payment of an annual fee, to receive a cultivation center license and a manufacturer’s license.

“(4) ABCA shall make applications for additional licenses in paragraphs (2) and (3) of this subsection available no later than May 1, 2023.

“(e)(1) Before issuing, transferring to a new owner, or renewing a license, the ABC Board shall determine that the applicant is not disqualified because of a conflicting interest in another medical cannabis license, as follows:

“(A) No licensee holding a testing laboratory license shall hold a cultivation center, manufacturer, retailer, internet retailer, or courier license.

“(B) No licensee holding a retailer, internet retailer, cultivation center, testing laboratory, or manufacturer license shall hold a courier license.

“(C) No licensee shall hold more than 2 cultivation center licenses.

“(D) The combined number of retailer and internet retailer licenses held by a licensee shall not exceed 3.

“(E) There shall be no limit on the number of manufacturer licenses that a licensee may hold.

“(F) No licensee holding a cultivation center license shall hold more than one retailer or internet retailer license.

“(2) The ABC Board may modify, by rule, the number of licenses that a licensee may hold for one or more of the license categories listed in paragraph (1) of this subsection.

“(f) The ABC Board may approve the holder of a cultivation center or manufacturers license that also owns, or has a valid lease for, real property adjacent to its existing cultivation center or manufacturing facility, to physically expand the licensed cultivation center or manufacturing facility into that adjacent real property for the purpose of increasing production of medical cannabis or medical cannabis products.

“(g) An applicant seeking to qualify as a:

“(1) Social equity applicant shall submit an affidavit with the application for a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory license attesting to:

“(A) The number of owners who meet the criteria for a social equity applicant pursuant to section 2(20C);

“(B) The ownership interests, incomes, and net worth of any owners;

“(C) The location of all managerial employees in the principal office;

“(D) The residency of owners, employees, and contractors; and

“(E) The locations of the assets and the percentages of the assets in each location;

“(2) Medical cannabis certified business enterprise applicant shall submit an affidavit with the application for a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory license attesting to:

“(A) The number of owners who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or bias because of their identities as members of a group without regard to their individual qualities;

“(B) The ownership interests, incomes, and net worth of any owners;

“(C) The location of all managerial employees in the principal office;

“(D) The residency of owners, employees, and contractors; and

“(E) The locations of the assets and the percentages of the assets in each location.

“(h) At least 50% of all new retailer, internet retailer, courier, cultivation center, and manufacturer licenses issued after the effective date of the Medical Cannabis Amendment Act of 2022, passed on 2nd reading on December 20, 2022 (Enrolled version of Bill 24-113), shall be set aside for social equity applicants; except, that this set aside shall not apply to cultivation centers who receive a manufacturer’s license pursuant to subsection (d) of this section.

“(i)(1) The ABC Board shall issue rules within 180 days following the effective date of the Medical Cannabis Amendment Act of 2022, passed on 2nd reading on December 20, 2022 (Enrolled version of Bill 24-113), to establish processes and procedures for requesting, reviewing, and implementing a cap or moratorium on the issuance of cultivation center, retailer, or internet retailer licenses in a Ward, ANC, or Single Member District of an ANC.

“(2) After one year following the effective date of the Medical Cannabis Amendment Act of 2022, passed on 2nd reading on December 20, 2022 (Enrolled version of Bill 24-113), the ABC Board may, by rulemaking, limit the number of cultivation centers, retailers, and internet retailers in a Ward, ANC, or Single Member District of an ANC.

“(3) The ABC Board shall analyze and consider supply and demand when determining whether to institute a cap or moratorium pursuant to this subsection.

“(j)(1) Straw ownership for the purposes of meeting the ownership requirements of social equity applicants and medical cannabis certified business enterprises is prohibited for both District residents and out-of-state residents.

“(2) A person or business who is found to have willfully asserted straw ownership shall have the person’s or business’s license or registration revoked and be subject to a civil penalty of not more than \$30,000.

“(k)(1) The ABC Board shall be authorized to issue a one-year conditional license for a cultivation center, retailer, internet retailer, manufacturer, or courier that does not currently have a proposed location.

“(2) Under the conditional license, the applicant shall have one year from the date of ABC Board approval to submit to ABCA:

“(A) A lease or similar documentation;

“(B) A security plan;

“(C) A certificate of occupancy for the proposed location;

“(D) Any remaining licensing or endorsement fees owed to ABCA; and

“(E) Any other documentation requested by the ABC Board.

“(3) The holder of a conditional license shall not engage in purchasing, possessing, cultivating, manufacturing, or selling of medical cannabis or cannabis products.

“(4) A conditional license that does not meet the terms of this subsection or is not operating after a period of one year shall be canceled by the ABC Board.

“(l) A one-year conditional license approved by the ABC Board shall not be permitted to be transferred to a new owner.

“(m)(1) For new social equity applicants, ABCA shall waive up to 75% of any nonrefundable license fees, including any nonrefundable application fees and annual or renewal license fees associated with receiving a medical cannabis facility license to operate for the first 3 years.

“(2) This subsection shall not apply to fees associated with any endorsements requested by the applicant.

“(n)(1)(A) Cultivation center, manufacturer, retailer, internet retailer, courier, and testing laboratory license fees shall be paid annually by credit card, debit card, cashier’s check, money order, or certified check made payable to the D.C. Treasurer.

“(B) The fee for the first year shall be paid within 60 calendar days of ABC Board approval but prior to license issuance, and the renewal fee shall be paid on or before the anniversary date of issuance of the registration.

“(C) All payments are due at the time the applications are filed and are non-refundable.

“(2) The ABC Board shall, by rules issued pursuant to section 14, establish the initial application and renewal fees for cultivation center, manufacturer, retailer, internet retailer, courier, and testing laboratory licenses. The ABC Board may revise these fees as considered necessary.

“(3) A cultivation center, manufacturer, retailer, internet retailer, courier, and testing laboratory license shall be valid for 3 years unless:

“(A) Suspended or revoked; or

“(B) The license takes effect on a date in between the dates established by the ABC Board for the regular license period of each license, in which case the license shall be valid only until the end of the license period.

“(4)(A) The ABC Board may impose a late fee upon an applicant for a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory that fails to timely renew their license. The late fee shall be \$50 for each business day after the due date of payment. The total amount of the late fee to be paid shall not exceed the annual cost of the license.

“(B)(i) The ABC Board may suspend a previously approved license until the renewal fee is paid.

“(ii) A cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory that has not timely renewed its license shall not be permitted to operate with an expired license.

“(5)(A) The ABC Board may suspend a license where the payment was made by the applicant with a check returned unpaid, invalid credit card, or any other form of payment that is denied by an intermediary institution.

“(B) The applicant, in addition to any late fees imposed by the ABC Board pursuant to paragraph (4) of this subsection, shall also be charged a \$100 returned check/denied payment fee.

“(o)(1) Subject to paragraph (2) of this subsection, a retailer or internet retailer may not dispense more than 8 ounces of medical cannabis in a 30-day period to a qualifying patient, either directly or through the qualifying patient's caregiver.

“(2) The Mayor, through rulemaking, may place alternate limits on the amount of medical cannabis that may be dispensed in forms other than dried medical cannabis.

“(p) No medical cannabis or paraphernalia at a cultivation center, manufacturer, retailer, internet retailer, or testing laboratory shall be visible from any public or other property.

“(q) A cultivation center, manufacturer, retailer, internet retailer, or testing laboratory shall not locate within any residential district or within 300 feet of a preschool, primary or secondary school, or recreation center.

“(r)(1) A cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory may be permitted to change ownership or controlling interest upon approval from the ABC Board.

“(2) A license approved by the ABC Board for a social equity applicant or an unlicensed establishment shall not be permitted to be transferred to a new owner until 3 years after the issuance of the permanent license, except to a social equity applicant. After 3 years, should the license transfer to neither a medical cannabis certified business enterprise nor a social equity applicant, the new owner shall be required to repay any grants or loans provided by the District to the medical cannabis certified business enterprise or social equity applicant and pay ABCA any waived licensing and application fees.

“(s) Each cultivation center, manufacturer, retailer, internet retailer, courier, and testing laboratory shall:

“(1) Be either a for-profit or nonprofit corporation incorporated within the District;

“(2) Implement a security plan to prevent the theft or diversion of medical cannabis, including maintaining all medical cannabis in a secure, locked room that is accessible only by authorized persons; and

“(3) Ensure that all its employees receive training on compliance with District law, medical cannabis use, security, and theft prevention.

“(t) Each retailer or internet retailer shall regularly distribute to all qualifying patients and caregivers the educational materials developed as part of the Program.

“(u)(1) A criminal background check shall not be required to be submitted to ABCA with an employee, agent, or manager as part of the employee’s, agent’s, or manager’s application.

“(2) Except with respect to evaluating the applications of social equity applicants and returning citizens, the ABC Board shall not:

“(A) Inquire into or consider:

“(i) A director, officer, member, or incorporator’s criminal conviction until after the applicant is found by ABCA to be otherwise qualified;

“(ii) A criminal conviction that has been sealed, expunged, vacated, or pardoned, including a criminal conviction that has been set aside pursuant to the Youth Rehabilitation Amendment Act of 1985, effective December 7, 1985 (D.C. Law 6-69; D.C. Official Code § 24-901 *et seq.*);

“(iii) A juvenile adjudication; or

“(iv) Non-conviction information, including information related to a deferred sentencing agreement, participation in a diversion program, or an arrest that did not result in a criminal conviction; or

“(B) Consider a criminal conviction of an offense of a director, officer, member, incorporator of a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory that is not directly related to the position of employment sought or to the specific business for which the license is sought.

“(2) Pursuant to paragraph (1)(B) of this subsection, ABCA shall determine whether a criminal conviction of an offense of a director, officer, member, or incorporator of a cultivation center, manufacturer, retailer, internet retailer, or testing laboratory is directly related to the position of employment sought or to the specific business for which the license is sought, by considering:

“(A) Whether the elements of the offense are directly related, by clear and convincing evidence, to the license sought;

“(B) Any evidence produced by the director, officer, member, or incorporator concerning their rehabilitation and fitness, including:

“(i) Evidence as to whether the director, officer, member, incorporator has recidivated;

“(ii) Evidence demonstrating compliance with any terms and conditions of probation, supervised release, or parole;

“(iii) The length of time that has elapsed since the offense was committed;

“(iv) The age at which the offense was committed;

“(v) Any circumstances related to the offense, including mitigating circumstances;

“(vi) Evidence of work history, particularly any training or work experience related to the license sought; and

“(vii) Letters of reference; and

“(C) The District’s interest in promoting opportunities for business ownership and employment for returning citizens and individuals with criminal records.

“(3) Before acting on a determination made pursuant to paragraph (2) of this subsection, the ABC Board shall provide the director, officer, member, or incorporator, in writing, the following information:

“(A) The criminal conviction that forms the basis for the action and the ABC Board’s reasoning for determining the offense is directly related to the license sought;

“(B) A copy of any criminal history records on which the ABC Board relies;

“(C) A statement that the director, officer, member, or incorporator may provide evidence of inaccuracies within the criminal history records;

“(D) A description of additional information that the director, officer, member, incorporator may provide to demonstrate their rehabilitation and fitness; and

“(E) Information about any applicable hearing procedures.

“(4)(A) After receiving the information pursuant to paragraph (3) of this subsection, the director, officer, member, or incorporator, shall have 45 business days to issue a response to the ABC Board.

“(B) The ABC Board shall respond no later than 45 business days after receipt of a response pursuant to subparagraph (A) of this paragraph.

“(5) The ABC Board may establish by rulemaking a list of criminal conviction offenses that are directly related to the operation of a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory for purposes of implementing this subsection.

“(v)(1) The ABC Board may fine, suspend, or revoke the license or registration of a person or business found to have violated any provision of this act or rules issued under this act.

“(2) The ABC Board may also issue a written warning to a licensed or registered person or business for a violation of this act or rules issued under this act to the extent permitted by regulations issued under this act.”.

(h) New sections 7a, 7b, 7c, 7d, 7e, and 7f are added to read as follows:

“Sec. 7a. Unlicensed establishments transition.

“(a)(1) No earlier than 180 calendar days after the effective date of the Medical Cannabis Amendment Act of 2022, passed on 2nd reading on December 20, 2022 (Enrolled version of Bill 24-113), ABCA shall make additional cultivation center, retailer, and internet retailer licenses available to unlicensed establishments for a 90-calendar day open application period.

“(2) To be eligible to apply for a cultivation center license during the 90-calendar day open application period, an unlicensed establishment shall demonstrate to the satisfaction of ABCA that the unlicensed establishment:

“(A) Is not located:

“(i) Within a residential district; or

“(ii) Within 300 feet of a preschool, primary or secondary school, or recreation center;

“(B) Facility at which cultivation will take place is suitable for the cultivation of cannabis, including being sufficient in size, power allocation, air exchange and air flow;

“(C) Has a valid, active business license issued on or before December 31, 2022;

“(D) Has a valid certificate of occupancy issued prior to the date on which the application is submitted;

“(E) Has been in operation since December 31, 2022 at the latest; and

“(F) Can demonstrate that business taxes were paid to the District of Columbia for each year following the issuance of a certificate of occupancy or business license, if applicable.

“(3) To be eligible to apply for a retailer license during the 90-calendar day open application period, an unlicensed establishment shall demonstrate to the satisfaction of ABCA that the unlicensed establishment:

“(A) Is not located:

“(i) Within a residential district;

“(ii) Within 300 feet of a preschool, primary or secondary school, or recreation center; or

“(iii) Within 400 feet of an existing retailer;

“(B) Has a valid, active business license issued on or before December 31, 2022;

“(C) Has a valid certificate of occupancy issued prior to the date on which the application is submitted;

“(D) Has been in operation since December 31, 2022, at the latest; and

“(E) Can demonstrate that business taxes were paid to the District of Columbia for each year following the issuance of a certificate of occupancy or business license, if applicable.

“(4) To be eligible to apply for an internet retailer license during the 90-calendar day open application period, an unlicensed establishment shall demonstrate to the satisfaction of ABCA that the unlicensed establishment:

“(A) Is not open to the public and not located:

“(i) Within a residential district; or

“(ii) Within 300 feet of a preschool, primary or secondary school, or recreation center;

“(B) Has a valid, active business license issued on or before December 31, 2022;

“(C) Has a valid certificate of occupancy issued prior to the date on which the application is submitted;

“(D) Has been in operation since December 31, 2022, at the latest; and

“(E) Can demonstrate that business taxes were paid to the District of Columbia for each year following the issuance of a certificate of occupancy or business license, if applicable.

“(b) An unlicensed establishment may relocate its operations to a compliant location prior to the filing of an application under this section but shall not relocate its business to an address different from the address provided in the application for purposes of complying with the location requirements of this section.

“(c) For purposes of this section, the 300-foot restrictions shall not apply where the main entrance to the preschool, primary or secondary school, or recreation center, or the nearest property line of the school or recreation center, is actually on or occupies ground zoned commercial or industrial according to the official atlases of the Zoning Commission of the District of Columbia.

“(d)(1) In determining whether a retailer application filed by an unlicensed establishment is eligible to be approved, the ABC Board shall ensure that the retailer application will not be

located within 400 feet of a previously submitted retailer application filed by another applicant during the 90-calendar day open application period.

“(2) Consistent with this subsection, ABCA shall proceed forward with the application filed by the unlicensed establishment that is first in time. If that application is subsequently denied, ABCA shall proceed with the application that is second in time, third in time, et cetera, until an application is approved.

“(e)(1) At least half of all licenses issued to unlicensed establishments shall be issued to social equity applicants.

“(2) Straw ownership for purposes of meeting the ownership requirement of this subsection is prohibited. A person or business who is found to have willfully asserted straw ownership shall have the person’s or business’s license revoked and be subject to a civil penalty of not more than \$30,000.

“(f) Unregistered establishments shall not apply for a conditional license in order to meet the requirements of this subsection during the 90-calendar day open application period.

“(g) ABCA shall post a list of unlicensed establishments that applied for a retailer or internet retailer license during the 90-calendar day open application period to its website and provide a copy of the list to the Director of the Department of Licensing and Consumer Protection.

“(h)(1) The ABC Board shall provide notice of complete and eligible cultivation center, retailer, and internet retailer license applications received from unlicensed establishments to the Councilmember and all Advisory Neighborhood Commissions in the affected ward for a 45-calendar day public comment period.

“(2) The ABC Board shall hold a contested case protest hearing within 120 days of receiving a timely protest from an affected Advisory Neighborhood Commission.

“(i) The grounds for a protest filed by an affected Advisory Neighborhood Commission shall relate to the impact of the unlicensed establishment on:

- “(1) Peace, order, and quiet of the relevant area;
- “(2) Residential parking needs and vehicular and pedestrian safety; and
- “(3) Real property values.

“Sec. 7b. Unlicensed establishment compliance.

“(a) Unlicensed establishments that submit a complete application with ABCA during the 90-calendar day open application period for a cultivation center, retailer, or internet retailer shall not be subject to compliance with this act while their retailer or internet retailer application is pending review with the ABC Board; except, that nothing in this subsection shall prohibit ABCA from issuing cease and desist orders to an applicant if the applicant is found to be selling cannabis products that may be especially appealing to children or is using packaging or advertisements that might be especially appealing to children.

“(b)(1) A decision by the ABC Board to approve a cultivation center, retailer, or internet retailer license for an unlicensed establishment shall be made in writing at least 15 days prior to

the issuance of the license. The notice shall state that the unlicensed establishment shall cease any unlicensed activity immediately.

“(2)(A) A decision by the ABC Board to deny an unlicensed establishment’s application for a retailer or internet retailer license shall be made in writing to the applicant and shall state the reasons for the denial.

“(B)(i) Within 15 days of receipt of the ABC Board’s written denial decision, the applicant may submit, in writing, an appeal to the ABC Board to reconsider the denial decision. With the written appeal, the applicant may include any relevant documentation or evidence that contests findings of fact or conclusions of law in the ABC Board’s written denial decision.

“(ii) If an applicant submits an appeal, the ABC Board shall hold a hearing and render a decision within 30 days.

“(C) If the applicant does not appeal the written denial decision, or after the ABC Board renders a decision on an appeal, the ABC Board shall notify the unlicensed establishment that it must close within 30 days after receipt of the denial or be subject to penalties pursuant to D.C. Official Code § 47-2844(a-2)(1B).

“(c) The ABC Board may deny an unlicensed establishment’s application for a cultivation center, retailer, or internet retailer license that does not provide the ABC Board with documents necessary to complete the application within 30 days of the ABC Board’s request.

“(d)(1) An unlicensed establishment that is issued a cultivation center, retailer, or internet retailer license shall be required to open within 120 days of being issued the retailer or internet retailer license.

“(2) The ABC Board shall cancel a retailer or internet retailer license issued to an unlicensed establishment that does not open within 120 days.

“Sec. 7c. Safe-use treatment facility endorsement.

“(a)(1) The holder of a retailer license shall be eligible to apply to the ABC Board for a safe-use treatment facility endorsement. The holder of a safe-use treatment facility endorsement shall be permitted to:

“(A) Sell medical cannabis, medical cannabis products, and paraphernalia at the retailer to qualifying patients and caregivers to be administered on the premises by or to the qualifying patient at the time of purchase within designated consumption areas that are separated from the remainder of the premises by a secure door and have a separate ventilation system;

“(B) Allow a qualifying patient or the qualifying patient’s caregiver to remove from the premises unused medical cannabis, medical cannabis products, or paraphernalia that has been purchased from the retailer or internet retailer in accordance with the requirements and limits set forth in this act; provided, that the removed items are packaged in accordance with regulations issued pursuant to section 14;

“(C) Offer or sell food that does not contain cannabis in the safe-use treatment facility; and

“(D) Offer recorded or background music in the safe-use treatment facility.

“(2) The holder of an internet retailer license shall not be eligible for a safe use treatment facility endorsement.

“(b) A retailer with a safe-use treatment facility endorsement shall:

“(1) Install security cameras that are operable and able to record for a minimum of 30 days;

“(2) Display conspicuous warning labels that are visible to the qualifying patient and the qualifying patient’s caregiver concerning administering medical cannabis and medical cannabis products;

“(3) Destroy all unadministered medical cannabis left abandoned or unclaimed in the safe-use treatment facility area; and

“(4) Package and label all medical cannabis or medical cannabis products purchased to be administered on the premises of the safe-use treatment facility in accordance with regulations issued pursuant to section 14.

“(c) A retailer’s safe-use treatment facility area shall have the following characteristics:

“(1) The area where medical cannabis is to be administered on-site by qualifying patients shall be isolated from the other areas of the retailer, separated by walls and a secure door, and shall have access only from the retailer;

“(2) A smoke-free area for employees to monitor the safe-use treatment facility area; and

“(3) A ventilation system that directs air from the safe-use treatment facility area to the outside of the building through a pollution control unit or odor control unit that, at a minimum, eliminates all detectable odor, smoke, and by-products of combustion so as to prevent any and all public nuisances.

“(d) A retailer with a safe-use treatment facility endorsement shall not:

“(1) Allow a person to consume alcohol, tobacco, or tobacco products in the safe-use treatment facility;

“(2) Allow any member of the public other than a qualifying patient or the qualifying patient’s caregiver to enter the safe-use treatment facility;

“(3) Allow a person to bring into or administer in the safe-use treatment facility any medical cannabis or medical cannabis products that were not purchased at the retailer unless otherwise permitted by the ABC Board by rulemaking;

“(4) Sell, offer to sell, or provide medical cannabis, medical cannabis products, or paraphernalia in excess of the quantity limits set forth in this act or regulations issued pursuant to section 14;

“(5) Encourage or permit an organized game or contest on the premises that involves consuming cannabis or cannabis products or the awarding of cannabis or cannabis products; or

“(6) Advertise or promote, in any way, either on or off the premises, a practice prohibited under this section.

“(e) An applicant for a safe-use treatment facility endorsement shall:

“(1) Complete an application on a form the ABC Board prescribes by regulations issued pursuant to section 14;

“(2) Include with the application a ventilation proposal, which shall include information to address:

“(A) The air change for the designated consumption space;

“(B) The air change for common areas inside the retailer;

“(C) The filter type and odor control measures for the designated consumption space;

“(D) The location of air intakes and exhaust outlets;

“(E) Whether the designated consumption space area shares space with employee work areas; and

“(F) Any other information considered necessary through rulemaking.

“(f) The minimum initial application fee for the safe-use treatment facility endorsement shall be \$1,000. The endorsement shall be valid for 3 years, with a minimum annual fee of \$2,000.

“Sec. 7d. Education tasting endorsement.

“(a)(1)(A) The holder of a retailer license shall be eligible to apply to the ABC Board for an education tasting endorsement.

“(B) The holder of an education tasting endorsement shall be permitted to offer cooking and how-to classes and demonstrations, and tastings for educational purposes to qualifying patients and caregivers on-site.

“(C) Activities offered by a retailer under an education tasting endorsement shall be permitted to occur on the premises of the retailer; except, that educational activities that include the smoking of medical cannabis by qualifying patients shall occur only in an ABC Board-approved safe-use treatment facility.

“(2) The holder of an internet retailer license shall not be eligible for an education tasting endorsement.

“(b) A retailer with an education tasting endorsement shall:

“(1) Display in the licensed area conspicuous warning labels that are visible to the qualifying patient and the qualifying patient's caregiver concerning the consumption of medical cannabis and medical cannabis products;

“(2) Destroy all unconsumed medical cannabis remaining from the educational activity, except as permitted under paragraph (4) of this subsection;

“(3) Ensure that containers of medical cannabis to be used for educational activities are labeled as such and may not be sold; and

“(4) Be permitted to allow a qualifying patient or caregiver to leave the premises with medical cannabis that was made available or offered as part of the educational activity in

accordance with the requirements and limits set forth in this act; provided, that it is packaged in accordance with regulations issued pursuant to section 14.

“(c) A retailer with an education tasting endorsement shall not:

“(1) Allow a person to consume alcohol, tobacco, or tobacco products on the premises;

“(2) Advertise or promote, in any way, either on or off the premises, a practice prohibited under this section; or

“(3) Make unsubstantiated medical claims about cannabis or cannabis products.

“(d)(1) Subject to paragraph (2) of this subsection, the holder of an education tasting endorsement may offer educational activities on the licensed premises between the hours of 7:00 a.m. and 9:00 p.m., 7 days per week.

“(2) The ABC Board may alter the hours set forth in paragraph (1) of this subsection through rulemaking.

“(e) The ABC Board shall establish, by regulation, permitted medical cannabis tasting or consumption limits for educational activities.

“(f) An applicant for an education tasting endorsement shall complete an application on a form the ABC Board prescribes by regulations issued pursuant to section 14.

“(g) The minimum initial application fee for an education tasting endorsement shall be \$130. The endorsement shall be valid for 3 years, with a minimum annual fee of \$130.

“Sec. 7e. Retailer delivery endorsement and internet retailer deliveries.

“(a) The holder of a retailer license shall be eligible to apply to the ABC Board for a delivery endorsement. The holder of a delivery endorsement shall be permitted to offer curbside pickup and deliver medical cannabis directly to a qualifying patient or the qualifying patient's caregiver at residential and commercial building addresses located in the District that are not on District government or Federal property or public or private school grounds.

“(b)(1) The holder of an internet retailer license shall not be required to obtain a delivery endorsement to be permitted to deliver medical cannabis directly to a qualifying patient or the qualifying patient's caregiver at residential and commercial building addresses located in the District that are not on District government or Federal property or public or private school grounds.

“(2) The holder of an internet retailer license shall not be permitted to offer curbside pickup at its ABC Board-approved location to qualifying patients and caregivers.

“(c) A retailer with a retailer delivery endorsement or an internet retailer shall:

“(1) Only receive and accept an order by electronic or other means from a qualifying patient or the qualifying patient's caregiver;

“(2) Only deliver to the qualifying patient or the qualifying patient's caregiver at the District address provided by the patient or caregiver and not leave the product without verifying the identity of the recipient;

“(3) Only travel through the District and not any surrounding jurisdictions to make deliveries;

“(4) Abide by rules and standards as may be established by the ABC Board pursuant to section 14 concerning:

“(A) The frequency of deliveries to a single qualifying patient or caregiver in a day, week, or month;

“(B) Overnight storage of any medical cannabis or medical cannabis products; and

“(C) The operation and number of delivery vehicles allowed;

“(5) Abide by the rules posted by any landlord or property owner with respect to prohibitions on cannabis deliveries on its property;

“(6) Use its employees or a licensed courier to deliver medical cannabis or medical cannabis products;

“(7) At the time of an order, require the qualifying patient or the qualifying patient's caregiver to provide information necessary to verify that the qualifying patient or the qualifying patient's caregiver is qualified to purchase and receive a delivery of medical cannabis or medical cannabis products in accordance with this act and regulations issued pursuant to section 14;

“(8)(A) Prior to transferring possession of the order to a qualifying patient 21 years of age or older or the qualifying patient's caregiver, inspect the qualifying patient's or qualifying patient's caregiver's valid government-issued identification card and valid ABCA registration to verify their age and that the information provided at the time the order was placed matches information listed on the government-issued identification card and ABCA registration; and

“(B) Prior to transferring possession of the order to a qualifying patient under age 21 or to the qualifying patient's caregiver, inspect the qualifying patient or caregiver's government-issued identification card and ABCA registration to verify the possession of a valid registration and that the information provided at the time the order was placed matches the information listed on the government-issued identification and ABCA registration;

“(9)(A) Maintain, in each vehicle used for deliveries of medical cannabis or medical cannabis products, a secure, locked storage compartment for purposes of transporting and securing cash used as payment and the medical cannabis or medical cannabis products.

“(B) The retailer shall not store cash and medical cannabis or medical cannabis products in the same storage compartments;

“(10) Only use delivery vehicles that:

“(A) Contain a Global Positioning System (“GPS”) device for identifying the geographic location of the delivery vehicle; which GPS device shall be either permanently or temporarily affixed to the delivery vehicle while the delivery vehicle is in operation and remain active and in the possession of the delivery employee at all times during the delivery; and

“(B) Do not bear any markings, images, words, or phrases that would indicate the delivery vehicle is used to deliver medical cannabis, including the name of the retailer or internet retailer, or any cannabis-related related images; and

“(11) Be permitted to dispense medical cannabis or medical cannabis products through curbside pickup or at-the-door pickup to a qualifying patient or caregiver if the retailer:

“(A) Implements a process to verify age and validate the ABCA registration of the patient or caregiver;

“(B) Implements procedures to ensure that curbside pickup or at-the-door pickup is completed quickly and efficiently; and

“(C) Implements a mechanism or recordkeeping process for qualifying patients or caregivers to document receipt of curbside pickup or at-the-door pickup.

“(d)(1) Subject to paragraph (2) of this subsection, the holder of the retailer delivery endorsement may offer curbside pickup or deliver medical cannabis during the hours of 9:00 a.m. to 9:00 p.m., 7 days per week.

“(2) The ABC Board may alter the hours set forth in paragraph (1) of this subsection through rulemaking.

“(e) Applicants for the retailer delivery endorsement shall complete an application prescribed by the ABC Board by regulations issued pursuant to section 14.

“(g) The minimum initial application fee for the endorsement shall be \$300. The endorsement shall be valid for 3 years with a minimum annual license fee of \$300.

“(g) The retailer’s or internet retailer’s failure to check the required information in subsection(c)(8)(A) or (B) of this paragraph may result in the ABC Board issuing a fine against the retailer or internet retailer or suspending or revoking its license in accordance with this act or regulations issued pursuant to section 14;

“(h) For purposes of this section, a public or private park shall not be considered to be either a residential or commercial building address.

“Sec. 7f. Summer garden endorsement.

“(a) The holder of both a retailer license and a safe use treatment facility endorsement shall obtain a summer garden endorsement from the ABC Board to be eligible to conduct operations in a summer garden, which may include the sale, service, and consumption of medical cannabis on outdoor private space.

“(b) The holder of a summer garden endorsement may be authorized to conduct business operations in the summer garden only between the hours of 8:00 a.m. and 12:00 a.m., 7 days a week.

“(c) The minimum initial application fee for the endorsement shall be \$300. The endorsement shall be valid for 3 years with a minimum annual license fee of \$300.”.

(i) Section 8 (D.C. Official Code § 7-1671.07) is repealed.

(j) Section 9 (D.C. Official Code § 7-1671.08) is amended as follows:

(1) Subsection (a) is amended by striking the phrase “uses marijuana” and inserting the phrase “uses cannabis” in its place.

(2) Subsection (b) is amended to read as follows:

“(b)(1) Any person who makes a fraudulent representation to a law enforcement official of any fact or circumstance relating to the person’s manufacture, cultivation, possession,

administration, dispensing, distribution, or use of medical cannabis, or manufacture, possession, distribution, or use of paraphernalia to avoid arrest or prosecution shall be subject to a criminal fine not to exceed \$1,000.

“(1) The imposition of the fine set forth in paragraph (1) of this subsection shall be in addition to any other penalties that may otherwise apply for the making of a false statement or for the manufacture, cultivation, possession, administration, dispensing, distribution, or use of cannabis, or the manufacture, possession, distribution, or use of paraphernalia.”.

(3) Subsection (c) is amended as follows:

(A) The lead-in language is amended by striking the word “marijuana” both times it appears and inserting the word “cannabis” in its place.

(B) Paragraph (1) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(C) Paragraph (2) is amended by striking the phrase “the medical marijuana” and inserting the phrase “the medical cannabis” in its place.

(4) Subsection (d) is amended to read as follows:

“(d) The ABC Board may impose and adjudicate civil fines for violations of this act and rules issued in accordance with section 14 committed by licensed cultivation centers, manufacturers, retailers, internet retailers, testing laboratories, and couriers.”.

(5) A new subsection (e) is added to read as follows:

“(e) Within 180 days after the applicability date of the Medical Cannabis Amendment Act of 2022, passed on 2nd reading on December 20, 2022 (Enrolled version of Bill 24-113), the ABC Board shall submit proposed regulations to the Council setting forth a schedule of civil penalties, fines, and fees for violations of this act for a 90-day period of review, including Saturdays, Sundays, holidays, and periods of Council recess. If the Council does not approve, in whole or in part, the proposed regulations within the 90-day review period, the regulations shall be deemed approved. The schedule shall replace all civil penalties, except as expressly provided in this act.”.

(k) Section 9a (D.C. Official Code § 7-1671.08a) is amended as follows:

(1) Subsection (a) is amended by striking the acronym “ABRA” and inserting the acronym “ABCA” in its place.

(2) Subsection (c) is amended as follows:

(A) Strike the acronym “ABRA” and insert the acronym “ABCA” in its place.

(B) Strike the phrase “medical marijuana” and insert the phrase “medical cannabis” in its place.

(l) Section 9b(b) and (c) (D.C. Official Code § 7-1671.08b(b) and (c)) is amended as follows:

“(b) Revenue from the following sources shall be deposited into the Fund:

“(1) All revenue in excess of the amount budgeted in the Fiscal Year 2023 budget for Fiscal Years 2024, 2025, and 2026 collected pursuant to D.C. Official Code § 47-2002(a)(7);

“(2) Beginning October 1, 2026, all revenue collected pursuant to D.C. Official Code § 47-2002(a)(7);

“(3) Any amount above \$100,000 in fines imposed and collected pursuant to section 8 of the Medical Cannabis Amendment Act of 2022, passed on 2nd reading on December 20, 2022 (Enrolled version of Bill 24-113); and

“(4) Any amount above \$100,000 in fines imposed and collected pursuant to D.C. Official Code § 47-2844(a-2)(1B).

“(c) Money in the Fund shall be used to:

“(1) Administer the medical cannabis certified business enterprise program; and

“(2) Provide equity, grants, and loans to assist social equity applicants and medical cannabis certified business enterprises in gaining entry to, and successfully operating in, the Program.”.

(m) A new section 9c is added to read as follows:

“Sec. 9c. Equity, grants, and loans to social equity applicants and medical cannabis certified business enterprises.

“(a) DSLBD shall establish grant and loan programs for the purposes of providing financial assistance and technical assistance to social equity applicants and medical cannabis certified business enterprises.

“(b) DSLBD shall have the authority to:

“(1) Provide equity, grants, and loans from monies in the Medical Cannabis Social Equity Fund established in section 9b to assist social equity applicants and medical cannabis certified business enterprises in gaining entry to, and successfully operating in, the Program;

“(2) Enter into agreements that set forth the terms and conditions of the financial assistance, accept funds or grants, and cooperate with private entities to carry out the purposes of this section;

“(3) Fix, determine, charge, and collect any premiums, fees, charges, costs, and expenses, including application fees, commitment fees, program fees, financing charges, or publication fees in connection with its activities under this section;

“(4) Provide staff, administration, and related support required to administer this section;

“(5) Establish application, notification, contract, and other forms, procedures or rules; and

“(6) Utilize vendors or contractors to carry out the purposes of this section.

“(c) Grants made pursuant to this section shall be awarded competitively.

“(d)(1) Loans made pursuant to this section shall be in such principal amount and form and contain such terms and provisions with respect to security, insurance, reporting, delinquency, charges, default remedies, and other matters as DSLBD shall determine appropriate to protect the public interest.

“(2) All funds received from repayment of loans shall be deposited into the Medical Cannabis Social Equity Fund established pursuant to section 9b.

“(e) No later than one year after establishing any equity, grant, or loan program pursuant to this section, and annually thereafter, DSLBD shall submit a report to the Mayor and Council on the outcomes of that program. The report shall include:

“(1) The number of persons or businesses receiving financial assistance under this section;

“(2) The amount of financial assistance awarded in the aggregate, in addition to the number and amount of loans made that are outstanding and the number and amount of grants awarded;

“(3) The names of the for-profit and nonprofit vendors, partners, consultants, and advisors engaged by DSLBD to implement this section;

“(4) The location of the project engaged in by the person or business; and

“(5) If applicable, the economic benefits created due to this financial assistance, such as jobs created.”.

(n) Section 10 (D.C. Official Code § 7-1671.09) is amended as follows:

(1) The section heading is amended by striking the phrase “Medical Marijuana Advisory” and inserting the phrase “Medical Cannabis Advisory” in its place.

(2) Subsection (a) is amended as follows:

(A) The lead-in language is amended by striking the phrase “Medical Marijuana Advisory” and inserting the phrase “Medical Cannabis Advisory” in its place.

(B) Paragraph (1) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(C) Paragraph (2) is amended by striking the phrase “of marijuana” and inserting the phrase “of cannabis” in its place.

(D) Paragraph (3) is amended to read as follows:

“(3) The Program’s effectiveness.”.

(3) Subsection (b) is repealed.

(o) Section 11(a) (D.C. Official Code § 7-1671.10(a)) is amended to read as follows:

“(a) ABCA is authorized to establish, by rulemaking, fees for the licensing of cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories and for the inspection and audit of cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories.”.

(p) Section 12(b) (D.C. Official Code § 7-1671.11(b)) is amended by striking the phrase “medical marijuana” both times it appears and inserting the phrase “medical cannabis” in its place.

(q) Section 13 (D.C. Official Code § 7-1671.12) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(r) A new section 13a is added to read as follows:

“Sec. 13a. Cease and desist orders.

“(a) If the ABC Board or the Mayor, after investigation but before a hearing, has cause to believe that a person is violating a provision of this act and the violation has caused or may cause, immediate and irreparable harm to the public, the ABC Board or the Mayor may issue an order requiring the alleged violator to cease and desist immediately from the violation. The order shall be served by certified mail or hand-delivered to the licensee.

“(b)(1) The alleged violator may, within 15 days after the service of the order, submit a written request to the ABC Board to hold a hearing on the alleged violation.

“(2) Upon receipt of a timely request, the ABC Board shall conduct a hearing in accordance with the procedures set forth in the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1203; D.C. Official Code § 2-501 *et seq.*), and issue a decision within 90 days after the hearing.

“(c)(1) The alleged violator may, within 10 days after the service of an order, submit a written request to the ABC Board for an expedited hearing on the alleged violation.

“(2) Upon receipt of a timely request for an expedited hearing, the ABC Board shall conduct a hearing within 10 days after the date of receiving the request and shall deliver to the alleged violator at their last known address a written notice of the hearing by any means guaranteed to be received at least 5 days before the hearing date.

“(3) The ABC Board shall issue a decision within 30 days after an expedited hearing.

“(d) If a request for a hearing is not timely made under subsection (b) or (c) of this section, the order of the ABC Board or the Mayor shall be final.

“(e) If, after a hearing, the ABC Board determines that the alleged violator is not in violation of this act, the ABC Board shall revoke the order.

“(f) If a person fails to comply with a lawful order of the ABC Board or the Mayor under this section, the ABC Board may petition the Superior Court of the District of Columbia for an order compelling compliance or take any other action authorized by this act.”.

(s) Section 14 (D.C. Official Code § 7-1671.13) is amended as follows:

(1) Subsection (a) is amended as follows:

(A) Paragraph (1) is amended to read as follows:

“(1) Adopt manufacturing practices with which cultivation centers, manufacturers, retailers, and internet retailers shall be required to comply to ensure that medical cannabis sold by cultivation centers, manufacturers, retailers, and internet retailers is appropriate for medical use;”.

(B) Paragraph (2) is amended by striking the phrase “medical marijuana sold by cultivation centers and dispensaries” and inserting the phrase “medical cannabis sold by cultivation centers, manufacturers, retailers, and internet retailers” in its place.

(C) Paragraph (3) is amended by striking the phrase “cultivation center, dispensary, and testing laboratory” and inserting the phrase “cultivation center, manufacturer, retailer, internet retailer, courier, and testing laboratory” in its place.

(D) Paragraph (4) is amended by striking the phrase “dispensaries, cultivation enters, and testing laboratories” and inserting “cultivation centers, manufacturers, retailers, internet retailers, couriers, and testing laboratories” in its place.

(E) Paragraphs (5), (6), (7), and (8) are amended to read as follows:

“(5) Determine, for the purpose of ensuring that qualifying patients have adequate access to medical cannabis, the number of cultivation centers, manufacturers, retailers, internet retailers, and testing laboratories that may operate in the District;”

“(6) Determine the amount of any licensing fee for a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory;

“(7) Determine the forms of medical cannabis that cultivation centers, manufacturers, retailers, and internet retailers shall be permitted to dispense or distribute;

“(8) Determine the process for permitting a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory to change location or change ownership or controlling interest pursuant to section 7(r);”.

(F) New paragraphs (9) and (10) are added to read as follows:

“(9) Determine which provisions of a settlement agreement reached between a cultivation center, manufacturer, retailer, or internet retailer and an affected ANC are enforceable and which provisions are unenforceable by the ABC Board; and

“(10) Adopt processes and procedures for holding protest and enforcement hearings before the ABC Board.”.

(2) Subsection (a-1) is amended to read as follows:

“(a-1) Pursuant to the transfer of functions of the Department of Health to ABCA by D.C. Official Code § 25-204.02, the Mayor shall issue rules in accordance with subsection (b) of this section, which rules shall allow licensed retailers, internet retailers, and couriers to provide medical cannabis to qualifying patients through delivery, curbside pickup, and at-the-door options.”.

(3) A new subsection (a-2) is added to read as follows:

“(a-2) The Mayor may issue rules creating additional license categories, including a transporter license, tiered cultivation center licenses, different types of manufacturer licenses, and a shared facility license to allow licensees to share existing space and equipment.”.

Sec. 4. Section 4902a(a) of the Department of Health Functions Clarification Act of 2001, effective April 11, 2019 (D.C. Law 22-291; D.C. Official Code § 7-731.01(a)), is amended by adding a new paragraph (4) to read as follows:

“(4)(A) The Department shall include questions related to the use of cannabis, including the use of cannabis for medical purposes, in its BRFSS questionnaire.

“(B) The Department may develop its own questions related to cannabis use but shall give preference to any module or questions approved by the U.S. Centers for Disease Control and Prevention.”.

Sec. 5. Title 25 of the D.C. Official Code is amended as follows:

(a) Strike the acronym "ABRA" wherever it appears and insert the acronym "ABCA" in its place.

(b) Strike the phrase "Alcoholic Beverage Regulation Administration" wherever it appears and insert the phrase "Alcoholic Beverage and Cannabis Administration" in its place.

(c) Strike the phrase "Alcoholic Beverage Control Board" wherever it appears and insert the phrase "Alcoholic Beverage and Cannabis Board" in its place.

(d) D.C. Official Code § 25-101 is amended to read as follows:

(1) Paragraphs (1) and (2) are amended to read as follows:

"(1) "ABCA" means the Alcoholic Beverage and Cannabis Administration established by § 25-202.

"(2) "ABCA Fund" means the Alcoholic Beverage and Cannabis Administration Fund established by § 25-210."

(2) Paragraph (11) is amended to read as follows:

"(11) "Board" means the Alcoholic Beverage and Cannabis Board established by § 25-201."

Sec. 6. The Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Official Code § 36-601.01 *et seq.*), is amended as follows:

(a) Strike the acronym "ABRA" wherever it appears and insert the acronym "ABCA" in its place.

(b) Section 401 (D.C. Official Code § 36-641.01) is amended as follows:

(1) Paragraph (1) is amended to read as follows:

"(1) "ABC Board" means the Alcoholic Beverage and Cannabis Board, established by D.C. Official Code § 25-201."

(2) Paragraph (2) is amended to read as follows:

"(2) "ABCA" means the Alcoholic Beverage and Cannabis Administration, established by D.C. Official Code § 25-202."

Sec. 7. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-1801.04 is amended by adding a new paragraph (31A) to read as follows:

"(31A) "Licensed medical cannabis business" shall mean a cultivation center, manufacturer, retailer, internet retailer, courier, or testing laboratory licensed with ABCA pursuant to § 7-1671.06(b)."

(b) Section 47-1803.03(a)(1) is amended by striking the period and adding the phrase "; provided, that a licensed medical cannabis business shall be allowed to, for the purposes of District income taxes, claim any tax deduction or credit that is prohibited for purposes of filing federal income taxes under § 280E of the Internal Revenue Code of 1986." in its place.

(c) Section 47-2002(a)(7) is amended to read as follows:

“(7)(A) The rate of tax shall be 6% of the gross receipts from the sale of or charges for medical cannabis, as defined in § 7-1671.01(12), except for sales or charges occurring during “4/20 Medical Cannabis Sales Tax Holiday Week”, which shall be the period of April 15 through April 24 each calendar year.

“(B)(i) The proceeds of the tax collected under subparagraph (A) of this paragraph shall be deposited in the Healthy DC and Health Care Expansion Fund established by § 31-3514.02 through September 30, 2026; except, that all revenue above the amount certified in the approved Fiscal Year 2023 budget for Fiscal Years 2023, 2024, 2025, and 2026 shall be deposited in the Medical Cannabis Social Equity Fund established pursuant to § 7-1671.08b.

“(ii) Beginning October 1, 2026, all proceeds of the tax collected under subparagraph (A) of this paragraph shall be deposited in the Medical Cannabis Social Equity Fund established pursuant to § 7-1671.08b.”.

(d) Section 47-2844(a-2) is amended by adding a new paragraph (1B) to read as follows:

“(1B) The Mayor may, no earlier than 315 days after the effective date of the Medical Cannabis Amendment Act of 2022, passed on 2nd reading on December 20, 2022 (Enrolled version of Bill 24-113), in addition to the provisions of subsection (a-1) of this section and paragraph (1) of this subsection, and notwithstanding § 2-1801.04(a)(1), take the following actions against, or impose the following requirements upon, any business, licensee, or agent of a licensee that applied for and was denied a medical cannabis business license, including any appeal, pursuant to § 7-1671.06a, that knowingly engages or attempts to engage in the purchase, sale, exchange, or any other form of commercial transaction involving cannabis that is not purchased, sold, or exchanged in accordance with Chapter 16B of Title 7 or § 48-904.01:

“(A) For the first violation of this paragraph, the Mayor:

“(i) May issue a:

“(I) Fine in the amount of up to \$10,000; and

“(II) Notice to revoke all licenses issued to the licensee pursuant to this chapter, with notices issued pursuant to this sub-subparagraph provided to the Alcoholic Beverage and Cannabis Administration; and

“(ii)(I) After a determination made in accordance with § 2-1801.06(a), shall seal the licensee’s premises, or a portion of the premises, for up to 96 hours without a prior hearing, with notice of the sealing given to the Alcoholic Beverage and Cannabis Administration, the Director of the Department of Licensing and Consumer Protection, and the Office of the Attorney General.

“(II) Within 14 days after a licensee’s premises is sealed pursuant to sub-sub-subparagraph (I) of this sub-subparagraph, the Mayor shall require the licensee to submit a remediation plan to the Director of the Department of Licensing and Consumer Protection that contains the licensee’s plan to prevent any future recurrence of purchasing, selling, exchanging, or otherwise transacting any cannabis that is not purchased, sold, or exchanged in accordance with Chapter 16B of Title 7 or § 48-904.01, and an

acknowledgment that a subsequent occurrence of engaging in prohibited activities may result in the revocation of all licenses issued to the licensee pursuant to this chapter.

“(III) If the licensee fails to submit a remediation plan in accordance with this sub-subparagraph, or if the Mayor, in consultation with the Director of the Department of Licensing and Consumer Protection, rejects the licensee’s remediation plan, the Mayor shall notify the licensee of the defects in any rejected remediation plan and the Mayor’s intent to revoke all licenses issued to the licensee pursuant to this chapter.

“(IV) If the licensee cures the defects in a rejected remediation plan, the Mayor may suspend any action to revoke the license of the licensee issued pursuant to this chapter.

“(B) For any subsequent violation of this paragraph, the Mayor:

“(i) May issue a fine in the amount of up to \$20,000; and

“(ii) After a determination made in accordance with § 2-1801.06(a), shall seal the licensee’s premises, or a portion of the premises, for up to 30 days without a prior hearing.

“(C) At the time of the sealing of the premises, or a portion of the premises, pursuant to subparagraph (A)(ii)(I) or (B)(ii) of this paragraph, the Director of the Department of Licensing and Consumer Protection shall post at the premises and serve on the licensee a written notice and order stating:

“(i) The specific action or actions being taken;

“(ii) The factual and legal bases for the action or actions;

“(iii) The right, within 3 business days after service of notice of the sealing of the premises, to request a hearing with the Office of Administrative Hearings;

“(iv) The right to a hearing before an administrative law judge, within 3 business days after a timely request being received by the Office of Administrative Hearings; and

“(v) That it shall be unlawful for any person, with the exception of emergency services personnel, to enter the sealed premises for any purpose without written permission by the Director of the Department of Licensing and Consumer Protection.

“(D)(i) If a licensee’s premises, or a portion of the premises, is sealed pursuant to subparagraph (A)(ii)(I) or (B)(ii) of this paragraph, a licensee shall have the right to request a hearing with the Office of Administrative Hearings within 3 business days of service of notice of the sealing of the premises under subparagraph (C) of this paragraph. If a licensee timely requests a hearing, the Office of Administrative Hearings shall hold a hearing before an administrative law judge within 3 business days after receiving the request.

“(ii) The administrative law judge shall issue an opinion no later than 30 calendar days after the hearing.

“(E) A licensee shall pay a fine issued pursuant to subparagraph (A)(i)(I) or (B)(i) of this paragraph within 20 calendar days after an opinion is issued by an administrative

law judge with the Office of Administrative Hearings. If the licensee fails to pay the fine within the specified time period, the Mayor may seal the premises until the fine is paid.

“(F) Revenue collected from fines imposed pursuant to this paragraph shall be deposited as follows:

“(i) The first \$100,000 shall be deposited into the Litigation Support Fund established pursuant to § 1-301.86b; and

“(ii) Any revenue collected from fines after the first \$100,000 shall be deposited into the Medical Cannabis Social Equity Fund established pursuant to § 7-1671.08b.

“(G) For purposes of this paragraph, the term:

“(i) “Business days” means days in which the Office of Administrative Hearings is open for business.

“(ii) “Cannabis” shall have the same meaning as provided in § 48-901.02(3).”.

Sec. 8. Penalties for commercial property owners of illegal cannabis businesses.

(a)(1) After the Alcoholic Beverage and Cannabis Administration makes final determinations for the licensure of unlicensed establishments pursuant to §§ 7-1671.06a and 7-1671.06b, for the first violation of D.C. Official Code § 47-2844(a-2)(1B), the Mayor shall send a notice to the commercial property owner where the illegal activity occurred stating:

(A) The nature of illegal activity documented on the premises;

(B) The specific action or actions being taken against the licensee operating on the premises; and

(C) That the commercial property owner may be subject to civil penalties for any subsequent illegal activity under D.C. Official Code § 47-2844(a-2)(1B) pursuant to subsection (c) of this section.

(2) Notices issued pursuant to this subsection shall be provided to the Alcoholic Beverage and Cannabis Administration, the Director of the Department of Licensing and Consumer Protection, and the Office of the Attorney General.

(b) For any subsequent violation of D.C. Official Code § 47-2844(a-2)(1B):

(1) The Mayor shall issue a fine in the amount of up to \$10,000 to the commercial property owner; and

(2)(A) The Mayor shall require the commercial property owner to submit a remediation plan within 14 days after the notice of a fine under paragraph (1) of this subsection to the Director of the Department of Licensing and Consumer Protection that contains the commercial property owner’s plan to prevent any future violations of D.C. Official Code § 47-2844(a-2)(1B).

(B) If the commercial property owner fails to submit a remediation plan in accordance with subparagraph (A) of this paragraph, or if the Mayor, in consultation with the Director of the Department of Licensing and Consumer Protection, rejects the commercial

property owner's remediation plan, the Mayor may issue additional fines or revoke the commercial property owners' licenses.

(c)(1) A commercial property owner has the right to request a hearing with the Office of Administrative Hearings within 3 business days after service of notice of any actions taken under subsection (b) of this section.

(2) If a commercial property owner timely requests a hearing pursuant to this subsection, the Office of Administrative Hearings shall hold a hearing before an administrative law judge within 3 business days after receiving the request.

(3) The administrative law judge shall issue an opinion no later than 30 calendar days after the hearing.

(d) Revenue collected from fines imposed pursuant to this section shall be deposited as follows:

(1) The first \$100,000 shall be deposited into the Litigation Support Fund established pursuant to § 1-301.86b; and

(2) Any revenue collected from fines after the first \$100,000 shall be deposited into the Medical Cannabis Social Equity Fund established pursuant to § 7-1671.08b.

(e) For purposes of this paragraph, the term:

(1) "Business days" means days in which the Office of Administrative Hearings is open for business.

(2) "Cannabis" shall have the same meaning as provided in D.C. Official Code § 48-901.02(3).

Sec. 9. Applicability.

(a) Sections 3(m), 4, 7, and 8 of this act shall apply upon the date of inclusion of their fiscal effect in an approved budget and financial plan.

(b) The Chief Financial Officer shall certify the date of the inclusion of the fiscal effect in an approved budget and financial plan, and provide notice to the Budget Director of the Council of the certification.

(c)(1) The Budget Director shall cause the notice of the certification to be published in the District of Columbia Register.

(2) The date of publication of the notice of the certification shall not affect the applicability of this act.


Sec. 10. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

ENROLLED ORIGINAL

Sec. 11. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.


Chairman

Council of the District of Columbia



Mayor
District of Columbia
APPROVED

JANUARY 30, 2023



COUNCIL OF THE DISTRICT OF COLUMBIA

WASHINGTON, DC, 20004

Docket No. B24-0113

[] ITEM ON CONSENT CALENDAR

[X] ACTION

First Reading

[X] VOTE DATE

December 6, 2022

[] VOICE VOTE

RECORDED VOTE ON REQUEST

ABSENT

Gray, and Pinto

[X] ROLL CALL VOTE – Result

Approved

Council Member	Aye	Nay	NV	AB	Rec	Council Member	Aye	Nay	NV	AB	Rec	Council Member	Aye	Nay	NV	AB	Rec
Chairman Mendelson	X					Henderson	X					R. White		X			
Allen	X					Lewis George		X				Silverman	X				
Bonds	X					McDuffie		X				T. White		X			
Cheh	X					Nadeau	X										
Gray				X		Pinto				X							
X - Indicate Vote					AB – Absent					NV - Present, Not Voting					Rec - Recused		


Secretary to the Council

CERTIFICATION RECORD

1-1-23
Date

Docket No. B24-0113

[] ITEM ON CONSENT CALENDAR

[X] ACTION

Final Reading

[X] VOTE DATE

December 20, 2022

[] VOICE VOTE

RECORDED VOTE ON REQUEST

ABSENT

[X] ROLL CALL VOTE – Result

Approved

Council Member	Aye	Nay	NV	AB	Rec	Council Member	Aye	Nay	NV	AB	Rec	Council Member	Aye	Nay	NV	AB	Rec
Chairman Mendelson	X					Henderson	X					R. White	X				
Allen	X					Lewis George	X					Silverman	X				
Bonds	X					McDuffie	X					T. White	X				
Cheh	X					Nadeau	X										
Gray	X					Pinto	X										
X - Indicate Vote					AB – Absent					NV - Present, Not Voting					Rec - Recused		


Secretary to the Council

CERTIFICATION RECORD

1-1-23
Date